



**Coast WET – State Incentive Summary
November 20, 2009**

Qualified Target Industry Tax Refund (QTI)

The Florida Qualified Target Industry Tax Refund incentive is available for companies that create high wage jobs in targeted high value-added industries. This incentive includes refunds on corporate income, sales, ad valorem, intangible personal property, insurance premium, and certain other taxes. Pre-approved applicants who create jobs in Florida receive tax refunds of \$3,000 per net new Florida full-time equivalent job created; \$6,000 in an Enterprise Zone or rural county. For businesses paying 150 percent of the average annual wage, add \$1,000 per job; for businesses paying 200 percent of the average annual salary, add \$2,000 per job. The local community where the company locates contributes 20 percent of the total tax refund. There is a cap of \$5 million per single qualified applicant in all years, and no more than 25 percent of the total refund approved may be taken in any single fiscal year. New or expanding businesses in selected targeted industries or corporate headquarters are eligible.

Coast WET made application to Enterprise Florida, which reviewed the company's business plan and financial statements. Enterprise Florida recommended approval to OTTED. Coast WET received approval for a QTI award in the amount of \$3,000 per job for 230 jobs to be put in place over a three year time frame. A performance agreement with the State of Florida requires Coast WET to create a minimum of 104 jobs in the first year of operation, 56 jobs in the second year and 70 jobs in the third year. A letter certifying approval was received by Robert Easter, CEO of Coast WET, on October 1, 2009 providing the following tax refund schedule:

<i>Year</i>	<i>Award</i>
2011-2012	\$ 78,000
2012-2013	\$120,000
2013-2014	\$172,500
2014-2015	\$172,500
2015-2016	\$ 94,500
2016-2017	<u>\$ 52,500</u>
	\$690,000

Governor's Quick Action Closing Fund

The Governor's Quick Action Closing Fund (Closing Fund) is sometimes used when Florida is competing with another state for a target industry. Enterprise Florida recommends a closing fund award after review of the business plan and financial statements, as well as the economic impact to the state of Florida, and makes a recommendation to the Office of Tourism, Trade and Economic Development (OTTED). OTTED reviews the application and, if approved, it goes to the Governor, who consults with the President of the Senate and Speaker of the House, and then to the Florida Senate and House Joint Legislative Budget Commission. Coast WET received approval for a \$500,000 award on September 3, 2009.

Quick Response Training Program (QRT)

Quick Response Training (QRT) - an employer-driven training program designed to assist new value-added businesses and provide existing Florida businesses the necessary training for expansion. A state educational facility - community college, area technical center, school district or university - is available to assist with application and program development or delivery. The educational facility will also serve as fiscal agent for the project. The company may use in-house training, outside vendor training programs or the local educational entity to provide training. Reimbursable training expenses include: instructors'/trainers' wages, curriculum development, and textbooks/manuals. This program is customized, flexible, and responsive to individual company needs.

Not yet approved, but in process, is an application for a QRT award of \$1,000 per job (\$230,000) to train workers in the skills required to be employed at the manufacturing facility. These funds will not be needed until the new plant is in operation. The application and approval process is handled through Workforce Florida and the Gulf Coast Workforce Development Board.

Project Current Status:

Coast WET has moved the company to Bay County and is currently operating out of the Beach Commerce Park in Panama City Beach. The equipment has been moved to Florida and is either being used in the temporary facility or stored until the permanent facility can be completed. The company has made a public announcement that it is moving to Bay County. Panama City is in first position to be the home of the new permanent headquarters, assembly, manufacturing and distribution center, as it is the company's preferred location. If the Downtown North CRA decides to move forward with the lease/purchase agreement, the company has verbally committed to improving the site as quickly as possible. The company's goal is to be under construction no later than 1st quarter of 2010 and operational by 2nd or 3rd quarter of 2010. There are several other location options, including moving to another location in Bay County and/or splitting the operation between Bay County and another county within Florida.